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John J. Finnigan, Jr.
Senior Counsel

VIA OVERNIGHT MAIL

March 28, 2006

Ms. Elizabeth O'Donnell
Executive Director
Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

MAR 29 2006

PUBLIC SERVICE
COMMISSION

Re: Case No. 2006-00101
Filing Deficiency

Dear Ms. O'Donnell:

Pursuant to your letter dated March 16, 2006, concerning the above-referenced case and our filing deficiency, I am enclosing one original and twelve copies of a *Supplement to Application*. This filing addresses the "Estimated Cost of Operation After the Proposed Facilities are Completed" deficiency issue.

Please return two filed and date-stamped copies of the above referenced document in the enclosed overnight envelope.

Thank you for your assistance in this matter.

Sincerely,

John J. Finnigan, Jr.

cc: Mr. Mike Burford w/enclosure
Ms. Elizabeth Blackford w/enclosure

COMMONWEALTH OF KENTUCKY

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BEFORE THE PUBLIC SERVICE COMMISSION MAR 29 2006

In the Matter of:

PUBLIC SERVICE COMMISSION

APPLICATION OF THE UNION LIGHT, HEAT)
AND POWER COMPANY FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY)
TO CONSTRUCT GAS DISTRIBUTION FACILITIES)
WITHIN ITS SERVICE TERRITORY)

CASE NO. 2006-00101

* * * * *

SUPPLEMENT TO APPLICATION

Pursuant to KRS 278.020, 807 KAR 5:001, Sections 8 and 9, and the Commission's Order dated January 31, 2002 and Commission's Order dated December 22, 2005 in In the Matter of Adjustment of Gas Rates of The Union Light, Heat and Power Company, Case No. 2005-00042, The Union Light, Heat and Power Company (ULH&P) respectfully states as follows:

1. ULH&P previously filed an application for a certificate for public convenience and necessity in this matter. This filing is intended to respond to the filing deficiency in that application addressed in a letter from the Commission dated March 16, 2006. This filing supplements the application by providing additional information regarding the estimated cost of operation after the proposed facilities are completed.

2. The main replacement work is being performed as part of ULH&P's Accelerated Main Replacement Program. In Case No. 2001-00092, 2004-00017 and 2005-00094, the Commission approved Rider AMRP as an annual adjustment to allow ULH&P to recover the costs of replacing its cast iron and bare steel mains on an accelerated basis,

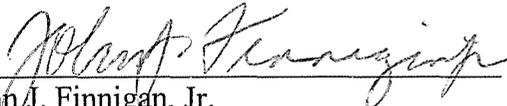
including the cost of recovering customer-owned service lines connected to such mains.

3. ULH&P expects that its estimated cost of operation and maintenance will decrease after the proposed facilities are completed because the cast iron and bare steel lines are being replaced with plastic lines, which have a lower leak rate. In fact, ULH&P passes such O&M savings to customers as part of the annual Rider AMRP rate adjustment.

WHEREFORE, ULH&P respectfully requests that the Commission issue a Certificate of Public Convenience and Necessity pursuant to KRS 278.020(1) for the above-described construction as requested in the application herein.

Respectfully submitted,

THE UNION LIGHT, HEAT AND POWER
COMPANY



John J. Finnigan, Jr.
Senior Counsel
P. O. Box 960
139 East Fourth Street, Room 25 ATII
Cincinnati, Ohio 45201-0960
Phone: (513) 287-3601

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing Supplement to Application of The Union Light, Heat and Power Company has been served via overnight mail to the following party on this 28th day of March, 2006.



John J. Finnigan, Jr.

Hon. Elizabeth E. Blackford
Office of AG
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, Kentucky 40601